

2010 Quality Management/Liability Recording (Workforce Optimization) Market Share Report

Widely recognized in the contact center industry and financial community as the most comprehensive and accurate analysis of this technology segment, DMG Consulting's annual **Quality Management/Liability Recording (Workforce Optimization) Market Share Report** is essential for vendors and investors who want to thoroughly understand the current status and future performance of the 45-plus competitors in this dynamic market.

After seven consecutive years of strong revenue growth, the worldwide economic recession slowed the expansion of the quality management/liability recording (workforce optimization-WFO) market. For the first time in seven years, contact center WFO revenue fell by 6.4%, from an all-time high of \$991.2 million in 2008 to \$928.2 million in 2009. Despite the drop in contact center WFO sales in 2009, total company GAAP revenue for the WFO vendors continued its growth, increasing from \$929.1 million in 2004 to \$2,912.2 million in 2009, due primarily to the performance of one company. DMG predicts that the majority of the contact center WFO competitors will return to a position of strength in 2010, with certain geographic regions, such as Europe, making a full recovery in 2011-2012. DMG predicts that 2011 and 2012 will be good years for most of the WFO vendors, particularly those that made substantial investments in R&D and sales and marketing strategies during the recession.

While the WFO market's two largest competitors, Verint and NICE, continue to dominate and play a significant role in the success of the overall sector, DMG also expects to see many smaller WFO vendors come on strong in 2010. Those who do not pick up momentum and improve their profitability this year are expected to be actively seeking acquisition partners in 2011.

The **2010 Quality Management/Liability Recording (WFO) Market Share Report** is the most comprehensive revenue and market share analysis of this dynamic technology sector. The Report addresses total company revenue and market share for all of the WFO competitors. It analyzes the revenue by technology sector, providing a complete and detailed evaluation on a company-wide, contact center WFO, vertical, application, geography and sales-model basis. This Report covers 45 vendors in total and features detailed analyses of the top 23 leading and contending vendors, including: ASC, Aspect, Autonomy etalk, Cacti, Calabrio, CallCopy, CTI Group*, CyberTech, dvsAnalytics (previously TDI), Envision, HigherGround, Interactive Intelligence, KnoahSoft, Magnetic North, NICE, OASYS*, OnviSource, TantaComm, Telrex**, Verint, VirtualLogger, VPI and Zoom International.

In addition to reviewing 2009 revenue and market share for all of the WFO vendors, this Report also presents total company GAAP revenue trends, contact center WFO revenue trends, and revenue trends by vertical for the five-year period of 2005-2009.

* New to Report this year

** Telrex was acquired by Enghouse Systems Limited in June 2010

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Key Reasons to Buy This Report:

- ⇒ Total company revenue and market share analysis for all vendors that sell quality management/liability recording (WFO) solutions for contact centers and other uses, including detailed analysis by company, geography and technology sector with drill-down analyses from total company to contact center-only views.
- ⇒ Revenue and market share for 2009 by application for recording and quality management solutions, including total voice, contact center, non-contact center, Time Division Multiplexing (TDM) and Internet Protocol (IP).
- ⇒ Revenue for 2009 by application for all quality management/recording (WFO) market segments, including recording (contact center, non-contact center, video and other), quality assurance, workforce management, speech analytics, performance management and surveying, coaching and eLearning.
- ⇒ Revenue and market share for 2009 for hardware, software and services, for the market and by vendor.
- ⇒ Growth in total and by company from 2008 to 2009 for the overall market, and for relevant technology sectors, with contact center and non-contact center views.
- ⇒ Five-year revenue trend analyses for total company revenue, contact center WFO, geography and vertical.

Report Highlights:

- **2009 brought WFO momentum to a halt:** While the sector showed growth from 2001 through 2008, contact center WFO revenue fell by 6.4%, from an all-time high of \$991.2 million in 2008 to \$928.2 million in 2009, due to the economic recession.
- **Recovery begins in 2010; 2011-2012 will be big for the WFO market:** DMG expects the majority of the market to return to a position of strength in 2010, with the exception of certain geographies, and predicts the majority of WFO vendors will have an excellent 2011-2012.
- **2011 will be a year for M&A:** DMG predicts that smaller vendors who do not increase profitability in 2010 will be seeking M&A partners in 2011. This may present opportunities for some of the more sizable competitors to acquire new functionality at a lower cost than they could by developing it internally.

Sample Figure:

2009 Total Company GAAP Revenue and Market Share by Revenue

Source: DMG Consulting LLC, June 2010

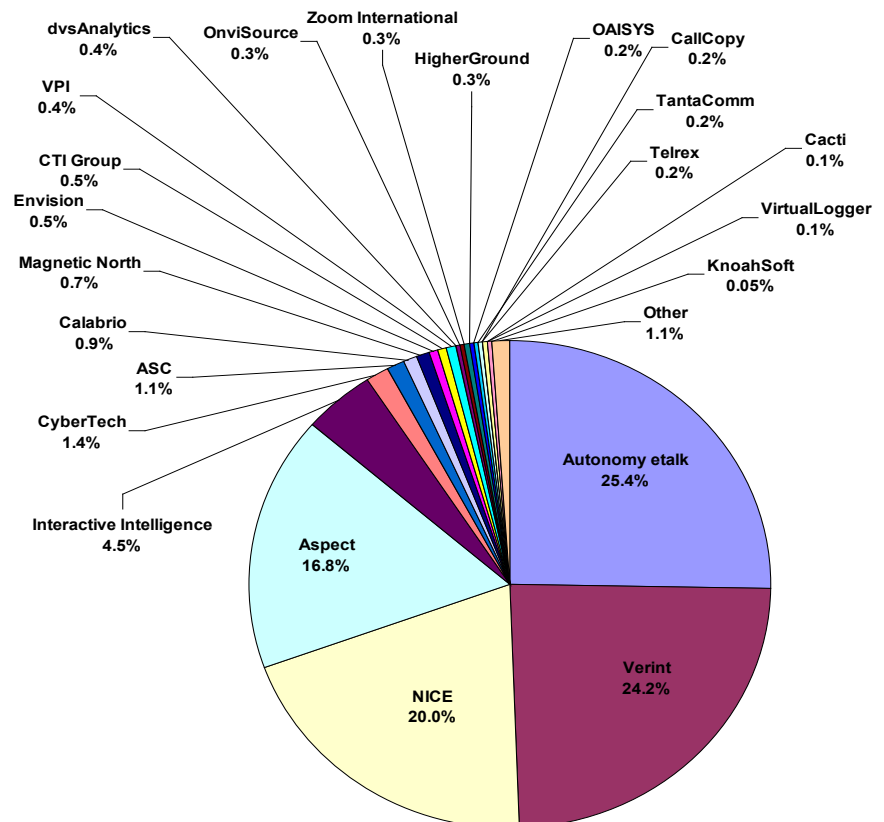


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